Quality Smokers RBM ROM RMD AMs DMs RMs

Chron: 10-11-95

| FSC-162-A | 10/9/95 | TO: ROM |
|---|---|---|
| SUBJECT: | Special Retail Pricing Agreement - Administratve Procedures | |

DISTRIBUTION:

| | | | | | |
|---|---|---|---|---|---|
| X | AVP | X | KAM | ___ | ELM |
| X | RSM | X | Reg.Mil.Mgr. | ___ | MIL |
| X | RBM | ___ | Reg.DF Mgr. | ___ | DF |
| X | ROM | ___ | DM | ___ | REP |

By now, each of you should have received a copy of the Special Retail Pricing Agreement for Private Label which was sent to your Regional Managers on June 12, 1995. This contract and the $.20 per carton Private Label payment associated with it was designed to help you grow your business in smaller chains where it was not feasible for us to furnish a Private Label. Therefore, if the chain's supplier had an RJR/Forsyth Private Label and the chain agreed to put this Private Label in all of their stores and protect it as their everyday low price brand, as well as give it preferred merchandising space, we could sign them up and pay them through TPS.

Below listed are further guidelines for doing so:

- If you do not already have a copy of the Special Retail Pricing Agreement, please ask for one through your Regional Sales Manager or Area Manager of Operations.
- Two originals of the Retail Pricing Agreement, signed by the account only, should be forwarded to your Area Manager of Operations (AMO) for processing and approval.
- Retail contract should only be offered to new retail accounts that will sell a *minimum of 5 cases per week* of the distributor's Private Label. Calculations to confirm this volume estimate should be attached with the agreement when it is submitted for approval.
- Upon receipt of the agreement, the AMO will submit it to the Area Vice President and the Forsyth National Operations Manager for approval and signature. Once the contract is signed, Forsyth will return one original to the RJR Field Manager who submitted the contract indicating the completion of the approval process.
- On a quarterly basis, the RJR Field Manager should pull AIM data for the account under the Retail Pricing Agreement and calculate the payment required to that account for the period ($.20 times the number of Private Label cartons purchased for the quarter).
- Payments to the retail accounts should be submitted to the ROU for payment via TPS by the RJR Field Manager responsible for the account. A specific display code has been established in TPS entitled "FOR RET" with a rate of $.20 per carton for this payment.
- Documentation to support this payment should be retained in the ROU in accordance with normal procedures for other TPS payments.

If you have any questions regarding any of these procedures, please contact either your Regional Manager or your Area Manager of Operations.

R. J. Reynolds Tobacco Company

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